# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:1800
ANSWERED ON:24.08.2007
ONE TIME SETTLEMENT SCHEME FOR FARMERS
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**Will the Minister of FINANCE be pleased to state:**

(a) whether the banks/institutions financed by Regional Rural. Banks(RRBs) and National bank for Agricultural and Rural Development (NABARD) have made provision for One Time Settlement Scheme(OTS) for small and marginal farmers;

(b) if so, the details: thereof during the last three years;

(c) whether ihe debts of farnaers have been settled or adjusted in any other scheme; and

(d) if so, the details thereof during the last three years?

## Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (d) : NABARD had issued guidelines to State Cooperative Banks and District Central Cooperative Banks in April 2001 on One Time Settlement (OTS) Scheme for recovery of clues; relating to Non Performing Assets (NPAs). The scheme was closed on 31 October, 2004. It has been decided that Cooperative Banks can implement their own compromise settlement scheme as a part of NPA management with the approval of their respective Boards and concerned Registrar of Cooperative Societies, subject to provisions in the respective bye-laws for implementing the same.

The Farm Credit Package announced by Government on 18.06.2004 for doubling the flow of agricultural credit, inter-alia, includes debt relief to farmers by way of reschedulement of loans with a moratorium period and `One Time Settlement Scheme` for small and marginal farmers. NABARD had issued guidelines on 26.07.2004 to Cooperative BEuriks and Regional Rural Banks (RRBs) for OTS of NPAs of small and marginal fanners who were in default as on 24.06.2004.

During 2005-06, under OTS Scheme, the Cooperative Banks and the RRBs extended relief of Rs.298.94 crore and Rs.64.04 crore respectively.

Further, in 31 debt stressed districts in the four states of Maharashtra (06), Andhra Pradesh (16), Kamataka (06) and Kerala (03), a relief package was announced for farmers by the government. It provides for waiver of the entire interest on overdue loans as on 01.07.2006 such that all farmers have no past interest burden as on that date. It also provides for reschedulement of the overdue loans of the farmers as on 01.07.2006 over a period of 3-5 3`ears with a one year moratorium.

The Government has released Rs. 1359.13 crore as its 50% share towards interest waiver for 31 districts during 2006-07.